

CITY OF GRANDVIEW HEIGHTS, OHIO

# POPULAR ANNUAL FINANCIAL REPORT

*For the fiscal year ended December 31, 2022*



# CITY ADMINISTRATION

Greta Kearns has served as Mayor of Grandview Heights since January 2020 and has loved every moment of it. Prior to her role as Mayor, she served on City Council and as City Council President, an experience that ignited her passion for local government. A resident of Grandview Heights since 2004, she started her career in public service as an Assistant Attorney General before working in private law practice primarily at a global law firm. Her ethic of serving others began at a young age while watching her parents work in social service and education. Giving back to the community through service is in her blood and her work as Mayor is no exception. She and her husband Jeff are the proud parents of three Grandview Heights Bobcats and are often at the many fun events the City and School host throughout the year.



**Greta Kearns**  
MAYOR

Aubrey Hale  
DIRECTOR OF  
ADMINISTRATION

# CITY COUNCIL



**Emily A. Keeler**, Council President  
*Term: January 1, 2020 – December 31, 2023*



**Chris Smith**, Council Vice President  
*Term: January 1, 2022 – December 31, 2025*



**Ryan Edwards**, Councilmember  
*Term: January 1, 2020 – December 31, 2023*



**Rebekah Hatzifotinos**, Councilmember  
*Term: January 1, 2020 – December 31, 2023*



**Melanie Houston**, Councilmember  
*Term: January 1, 2022 – December 31, 2025*



**Michelle Kozak**, Councilmember  
*Term: January 1, 2022 – December 31, 2025*



**Anthony Panzera**, Councilmember  
*Term: January 1, 2022 – December 31, 2025*

## Dear Residents:

The City of Grandview Heights Finance Department is pleased to present the City's second Popular Annual Financial Report (PAFR) for fiscal year ended December 31, 2022. This report provides transparency in where City revenues come from and how they are being spent. Additionally, we have highlighted some of the economic development activity that occurred during 2022.

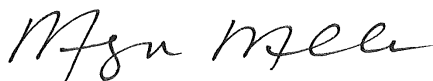
The City of Grandview Heights Annual Comprehensive Financial Reports for the years ended 2020-2021 from which the information on pages 3-7 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we submitted it to GFOA to determine its eligibility for another Certificate.

The Annual Report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by the Auditor of the State of Ohio. The City received an unmodified opinion on the audit. The City's Annual Report can be obtained on the City's website at: [www.grandviewheights.gov](http://www.grandviewheights.gov).

The City of Grandview Heights PAFR is unaudited and presented on a GAAP basis unless otherwise noted. The purpose of the PAFR is to provide summarized financial data as a means of increasing awareness and knowledge of the operations of the City. We believe our citizens deserve transparency when it comes to their tax dollars. This report is designed to help you gain a better understanding of the City's resources and how we put your tax dollars to use.

The City received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for 2021. This was the first year the City has received this honor.



**Megan Miller**, Director of Finance



### HOW TO CONTACT THE CITY OF GRANDVIEW HEIGHTS



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1016 Grandview Avenue  
Grandview Heights, Ohio 43212

(614) 488-3159

 @cityofgrandviewheights

 @grandviewohio

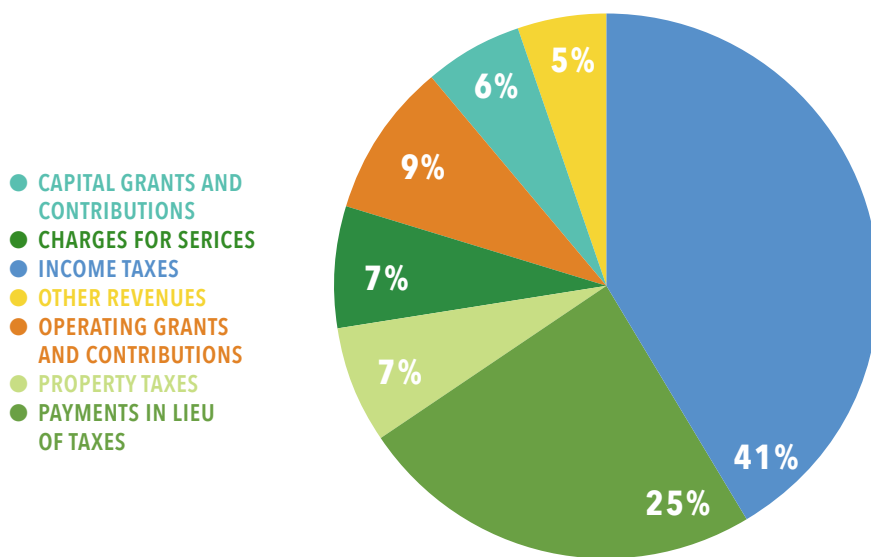
 Grandview Heights

 City of Grandview Heights

# Where the Money Comes From

## REVENUES – GOVERNMENTAL ACTIVITIES

The funding the City receives in order to provide services to citizens and the business community comes from a variety of sources. The chart below presents a summary of governmental activities revenue by type for 2022. The significance of income taxes is clearly evident as it makes up 42% of governmental activities revenue. This reinforces the need for a strong local tax base to keep this revenue source secure. The \$2.2 million decrease in capital grants and contributions was the result of a decrease in capital contributions and Ohio Public Works Commission (OPWC) grants related to the Grandview Yard Project. The \$2.1 million decrease in income taxes was due to a decrease in withholding at the Grandview Yard. The \$1.5 million decrease in payments in lieu of taxes was also the result of decreased development in the Grandview Yard.



	2022	2021	2020
Income Taxes	\$15,982,817	\$18,057,454	\$17,596,520
Payments in Lieu of Taxes	9,411,441	10,889,352	8,721,758
Property Taxes	2,831,109	2,549,219	2,517,273
Charges for Services	2,646,227	2,578,213	1,932,643
Operating Grants and Contributions	3,396,707	3,431,041	4,418,313
Capital Grants and Contributions	2,310,436	4,521,199	965,033
Other Revenues	2,051,403	2,005,624	2,811,522
<b>Total Governmental Activities</b>	<b>\$38,630,140</b>	<b>\$44,032,102</b>	<b>\$38,963,062</b>

## DEFINITIONS

### Income Taxes

Revenues received from a 2.50% income tax levied on substantially all income earned within the City by residents, businesses and employees of businesses in the City.

### Payments in Lieu of Taxes

Revenues received from a Tax Increment Financing (TIF) District for the Grandview Yard site. Owners within the TIF District must pay amounts equal to the property taxes that would have been assessed had the TIF District not been established.

### Property Taxes

Revenues received from the City's portion of the taxes due on real property and public utilities. The City assesses a property rate of \$10.15 per \$1,000 of assessed valuation.

### Charges for Services

Revenues received related to charges billed to users of various City services. These can include fines and forfeitures, cable franchise fees, building permits and facility rentals.

### Operating Grants and Contributions

Revenues received from intergovernmental sources that are restricted for operations. These include amounts received related to gas tax and motor vehicle license fees.

### Capital Grants and Contributions

Revenues received from various sources that are restricted for capital projects. These include amounts received from the State of Ohio and development partnerships at Grandview Yard.

### Other Revenues

Revenues received such as hotel and motel taxes, unrestricted intergovernmental grants for local government support, and investment income.

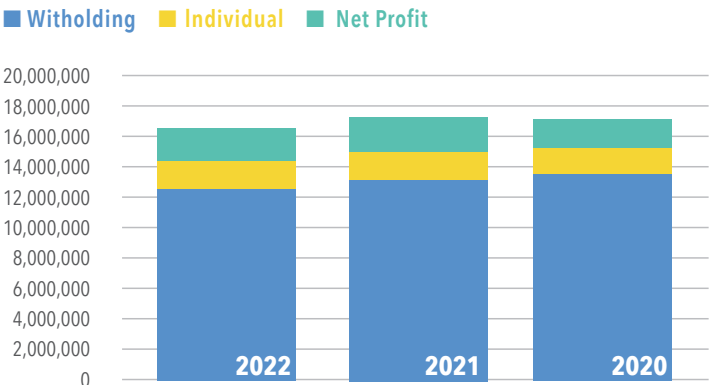
INCOME TAXES

Incomes taxes represent the largest source of revenue for the City. Income tax collections are comprised of three sources: taxes withheld from employees working in the City, taxes from individual residents, and taxes on net profits of businesses operating in the City. Revenue from withholding represents approximately 75% of the City's total income tax revenue. The significance of withholding revenue underscores the financial importance of nonresidential development in the City.

Withholding taxes decreased in 2021 and 2022 due to withholding at the Grandview Yard due to the change in reporting of wages due to work from home.

Income taxes are paid first to the municipality where an individual works and then where they live. Although there is no reciprocity between municipalities, the City of Grandview Heights provides 100% of credit up to 2.5% for taxes paid to the municipality where you work.

Income Tax Collections



	2022	2021	2020
Withholding	12,320,649	13,262,927	13,924,926
Individual	1,863,464	1,809,900	1,611,804
Net Profit	2,281,632	2,285,457	1,809,272

PROPERTY TAXES

Less than \$0.12 of every dollar of property tax paid supports City operations. The numbers to the right depict the annual tax impact on the owner of a \$465,000 home in the City of Grandview Heights. The school district and Franklin County each receive a portion of the taxes paid by the City of Grandview Heights residents, along with several other smaller entities.


UNDERSTANDING PROPERTY TAXES

Property tax is based on the amount charged per \$1,000 worth of taxable property value, also known as millage. Amounts collected for levies, other than general operating levies, must be used for those specific purposes. The County Treasurer's office collects property taxes and the County Auditor's office distributes those taxes to the appropriate jurisdiction.

Property Taxes


Taxing District 512  
Tax Year 2021/Collection Year 2022

\$10,172




\$5,760 57%

Grandview Heights City School District




\$1,639 16%

Children's Services, Developmental Disabilities, Senior Citizens




\$1,184 11%

City of Grandview Heights




\$691 7%

Grandview Heights Public Library




\$370 4%

Alcohol / Drug Addiction & Mental Health Services




\$239 ~2%

Franklin County General Fund




\$128 ~1%

Metro Parks



\$76 <1%

Columbus State Community College



\$84 <1%

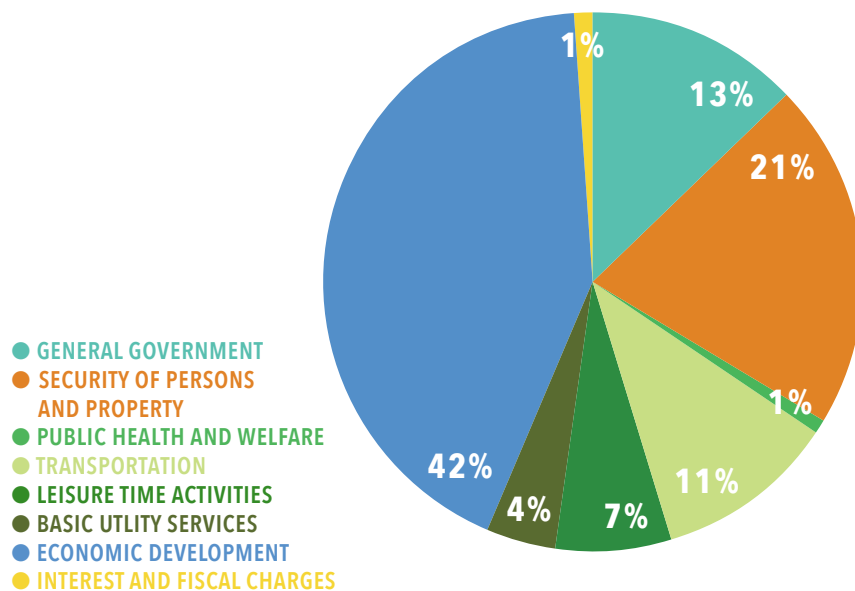
Columbus Zoo



# Where the Money Goes

## EXPENSES – GOVERNMENTAL ACTIVITIES

The City's governmental activities account for most of the basic services provided by the City's various departments. The City's expenses are reported at the function level which describes the primary purpose of the expense. Within each function, the expenses of one or more City departments are reported. Total expenses reported for governmental activities decreased \$798,645 from 2021. General Government expenses increased significantly primarily as a result of pension and other post employment benefit accruals. Economic Development expenses decreased significantly, largely as a result of a decrease in distribution of income tax revenue related to the decline in withholding tax collections.



## DEFINITIONS

### General Government

The operations of City Council, the Mayor's Office, Finance, Technology, Civil Service, Mayor's Court and Legal.

### Security of Persons and Property

The operations of the City's Fire/EMS and Police Departments.

### Public Health and Welfare

Payments to the Franklin County Board of Public Health.

### Transportation

Public works operations in maintaining the City's roads, traffic signals, storm sewers, bike paths, sidewalks, and snow removal.

### Leisure Time Activities

The operations of the City's Parks and Recreation Department.

### Basic Utility Services

Refuse collection and recycling programs.

### Economic Development

The operations of the City's Building and Zoning and Planning & Community Development.

### Interest and Fiscal Charges

Interest and other fees charged on City's debt.

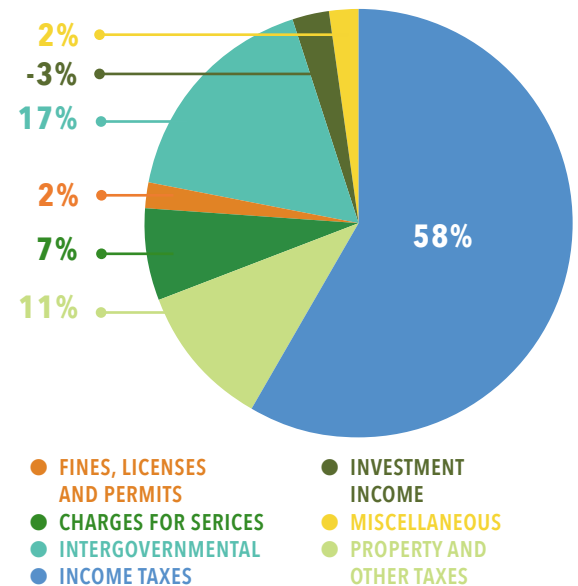
	2022	2021	2020
General Government	\$ 4,834,298	\$ 3,425,515	\$ 6,110,806
Security of Persons and Property	7,805,866	7,591,731	7,553,675
Public Health and Welfare	85,374	83,790	80,675
Transportation	3,909,670	4,042,808	3,817,457
Leisure Time Activities	2,395,311	2,419,215	2,007,267
Basic Utility Services	1,386,203	1,305,317	1,373,026
Economic Development	15,722,985	17,959,389	16,230,260
Interest and Fiscal Charges	483,184	593,771	561,824
<b>Total Governmental Activities</b>	<b>\$ 36,622,891</b>	<b>\$ 37,421,536</b>	<b>\$ 37,734,990</b>

# General Fund Analysis

## REVENUE BY CATEGORY

	2022	2021	2020
Income Taxes	\$ 13,648,437	\$ 13,787,352	\$ 13,773,265
Property and Other Taxes	2,545,333	2,398,062	2,283,972
Charges for Services	1,696,191	1,572,650	1,009,347
Fines, Licenses, and Permits	437,968	481,441	501,574
Intergovernmental	3,975,858	3,617,077	3,421,649
Investment Income	(640,760)	(137,533)	401,938
Miscellaneous	410,273	471,227	972,832

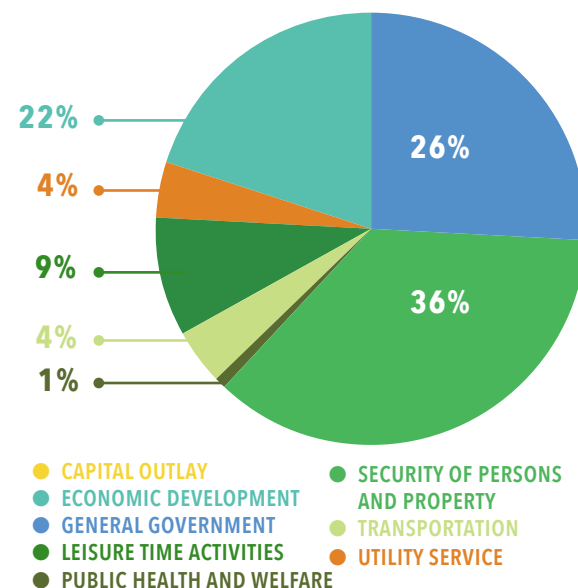
<b>Total General Fund Revenue</b>	<b>\$ 22,073,300</b>	<b>\$ 22,190,276</b>	<b>\$ 22,364,577</b>
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## EXPENDITURES BY CATEGORY

	2022	2021	2020
General Government	\$ 5,210,546	\$ 4,664,980	\$ 4,680,354
Security of Persons and Property	7,176,072	6,845,098	5,883,007
Public Health and Welfare	85,374	83,790	80,675
Transportation	764,799	881,992	930,265
Leisure Time Activities	1,815,957	1,703,254	1,278,149
Utility Service	798,567	640,289	635,909
Economic Development	4,055,388	4,187,243	4,409,937
Capital Outlay	-	424,629	59,436

<b>Total General Fund Expenditures</b>	<b>\$ 19,906,703</b>	<b>\$ 19,431,275</b>	<b>\$ 17,957,732</b>
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The General Fund is the City's primary operating fund. It accounts for the majority of all financial activity of the City and pays almost all personnel costs of City Employees, as well as day-to-day operating expenditures with the exception of those associated with street maintenance and repair. In 2022, the General Fund accounted for 60.24% of the total government fund revenue and 53.08% of governmental fund expenditures. These numbers are presented using the modified accrual basis of accounting, which means that revenues are only accrued when measurable and available, in this case, within 60 days of year-end. Over 91.37% of the City's General Fund revenue is derived from three sources: Income Taxes, Property and Other Taxes, and Intergovernmental. The charts on this page show the classifications of revenues and expenditures in the General Fund.

The most significant change in revenues between 2022 and 2021 was a \$503,227 decrease in investment income. This decrease was due to a decline in the fair value of the City's investment portfolio as a result of rising interest rates during 2022.

Total expenditures increased approximately 2.4% in 2022 in comparison with 2021. This increase can be attributed to inflationary increases in all expenditure categories.

# Outstanding Debt

The repayment of debt is primarily funded using income, hotel and property tax collections, gasoline tax, water and sewer surcharge and payments in lieu of taxes, that have been set aside for capital investments or its related debt. Ohio Law limits the amount of outstanding debt allowed to 10.5% of the taxable value of property. In 2022, the assessed value of the City of Grandview Heights property was \$397,447,390.

The City's general obligation debt, less amounts set aside for debt repayment, represents just 4.18% of the estimated taxable value of property. The table below right provides a summary of the type (including definitions) and amount of debt outstanding. The chart below provides the balance of bonds and loans payable outstanding.

**General Obligation Bonds** – Long-term debts that are repaid from the City's available resources.

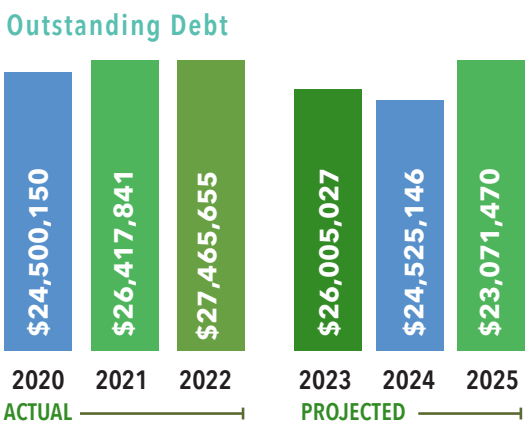
**Loans** – Low-interest loans from the Ohio Public Works Commission and Franklin County Infrastructure Bank to support capital improvements.

Outstanding Debt ACTUAL	2020	2021	2022
General Obligation Bonds	\$ 18,760,649	\$ 17,972,461	\$ 17,159,273
Loans	5,739,501	8,445,380	10,306,382
Total Debt	\$ 24,500,150	\$ 26,417,841	\$ 27,465,655

Outstanding Debt PROJECTED (1)	2023	2024	2025
General Obligation Bonds	\$ 16,326,085	\$ 15,472,897	\$ 14,594,709
Loans	9,678,942	9,052,249	8,476,761
Total Debt	\$ 26,005,027	\$ 24,525,146	\$ 23,071,470

(1) Excludes \$25 million new bond issued in 2023



The City is AAA rated by Standard and Poor's. This is the highest rating issued by Standard and Poor's and allows the City to borrow at the best rate.



# Economic Development

The City has utilized development tools such as Tax Increment Financing (TIF), Community Reinvestment Areas (CRA) and Income Tax Development and Incentive Agreements to increase employment opportunities and encourage establishment of new jobs in the City to improve the economic welfare of the City and its citizens.

**Tax Increment Financing (TIF)** – The TIF captures the increase in property taxes resulting from new development for the purpose of paying for development costs such as infrastructure. City Council has approved TIFs at Grandview Yard, Grandview Crossing and three new TIF areas were approved in late 2022: Goodale Mixed Use TIF, Southern Gateway TIF and Neighborhood Business District TIF.

**Payments in Lieu of Taxes (PILOTs)** – PILOTs are the additional “property tax” paid on the increase in value in the new development in a TIF. PILOTs are used to support the development in the TIF for purposes such as infrastructure. During 2022, the City received \$10,636,323 in PILOT related revenue related to the Grandview Yard TIFs. The City does not keep any PILOT revenue. Of the amount received \$4,265,945 was paid to the Grandview Heights City School District, \$5,168,932 was distributed to the Issuer of infrastructure improvement bonds for principal and interest payments, \$45,000 was distributed to the Grandview Heights Public Library and \$1,156,446 was deducted by Franklin County for Auditor and Treasurer Fees and refunds. There have not yet been collections of PILOTs related to the Grandview Crossing TIF due to the early stages of development.

**Community Reinvestment Area (CRA)** – The CRA provides for the abatement of a portion of property taxes for certain properties. The City has two CRA's, Grandview Heights CRA established in 1998 and the Grandview Yard CRA established in 2010. The remodeling of existing and construction of new structures within these CRA's constitutes a public purpose for which real property tax abatements may be granted for a portion of the increase in value related to improvements.

**Income Tax Development and Incentive Agreements** – Agreements made with businesses that relocate or expand in the City. These payments are typically based on income tax received by the City from the business operations.

**School Compensation Agreement** – An agreement between the City, School District and developer providing for the distribution of revenue from a development to the School District in exchange for the District's authorization of TIF and CRA abatements. In 2022, the City distributed \$4,265,945 to the Grandview Heights City School District from PILOTs in accordance with the Grandview Yard School Compensation Agreement.

**Development Agreement** – An agreement between the City and developer laying out the terms of the development including revenue sharing. The City has development agreements in place for Grandview Yard and Grandview Crossing.

## OTHER ECONOMIC DEVELOPMENT PARTNERSHIPS

The City and Clinton Township entered a Joint Economic Development Zone (JEDZ) Agreement in 2014. A JEDZ enables the collection of the City's 2.5% income tax on businesses and their employees located within the Zone. The City receives a portion of the revenue created along with administrative fees in exchange for administering the income tax. In 2021, the City received \$76,859 for administration and collection fees relating to the JEDZ, and intergovernmental revenue totaled \$3,287,196 of which \$2,437,000 was paid to the Township. The net amount the City maintained relative to the Clinton-Grandview Heights JEDZ was \$927,055.